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THE CONFERENCE BOARD

information bulletin

Personnel Practices I: Recruitment, Placement, Training, Communication

by Harriet Gorlin

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INTRODUCTION

In the early days of American industry employers were known to tell workers: "If you don't come in Sunday, don't come in Monday." They could dictate the length of the workday and the workweek, the atmosphere of the workplace, the manner of dress of their employees, and the cut of their hair. They could even exert considerable influence on the worker's behavior beyond the shop or office. (See box.)

But things have changed. If workers are dissatisfied with the terms and conditions of their work, they complain; they submit suggestions; they organize; they bargain; they call meetings. They now function in a more participative climate; the quality of work life is certainly less oppressive than it was at the turn of the century, or even more recently. There is a sense of entitlement in the American worker's attitude today.

A company's personnel policies and practices, written down or not, bargained for or not, are the foundation upon which employee relations rest and provide the point of departure for future changes—improvements, in most cases. Corporate managers, confronted with ever more competitive labor markets, require a more accurate picture of current personnel practices in their own industry, as well as in others. Whatever the policy decision—to match, exceed or deliberately deviate from the practices of competitors—knowledge of prevailing practice is the jumping-off point for today's recruiters and policymakers.

Comprehensive data on the myriad activities that comprise "personnel practices" are extremely scattered or nonexistent. The Conference Board has undertaken massive inquiries into the personnel practices in American workplaces six times before. The last time was in the mid-1960's.[1] As each suc-

[1]National Industrial Conference Board, *Personnel Practices in Factory and Office: Manufacturing*, 1964, Studies in Personnel Policies No. 194 and *Office Personnel Practices: Nonmanufacturing*, 1965, Studies in Personnel Policies No. 197.

Look back to 1872

Rules of work not easy

An office manager, cleaning out a file in preparation for his firm's move to a new location, came across these office rules for 1872. He wanted to read them to his office force, but the members were all out on one of the day's several coffee breaks.

1. Office employees each day will fill lamps, clean chimneys and trim wicks. Wash windows once a week.
2. Each clerk will bring in a bucket of water and a scuttle of coal for the day's business.
3. Make your pens carefully. You may whittle nibs to your individual taste.
4. Men employees will be given an evening off each week for courting purposes, or two evenings a week if they go regularly to church.
5. After 13 hours of labor in the office, the employee should spend the remaining time reading the Bible and other good books.
6. Every employee should lay aside from each payday a goodly sum of his earnings for his benefit during his declining years so that he will not become a burden on society.
7. Any employee who smokes Spanish cigars, uses liquor in any form, or frequents pool and public halls, or gets shaved in a barber shop, will give good reasons to [suspect] his worth, intentions, integrity and honesty.
8. The employee who has performed his labor faithfully and without fault for five years, will be given an increase of five cents per day in his pay, providing profits from business permit it.

—from Philnews, Phillips Petroleum Co., September, 1978.

cessive survey was designed, the new questions posed by the Board's Associates, the changing scene of the workplace itself, and the refinement and increased capability in research techniques have placed new parameters on the scope of each study.

This report is concerned with recruitment, evaluation, record keeping, communications and training. The totally new element here is the concern for the privacy of personnel records and employee access to personal files. The Board's 1977 report on privacy indicated that some companies were then just attempting to define employee privacy, and only a very few were considering the matter at all.[2] Today, almost 45 percent of the responding companies have written policies regarding the privacy of personnel records, and over 85 percent provide employee access to records containing personal information about themselves. In addition, well over half of the respondents now require the employee's permission before disclosing personal information other than work location, term of employment, and last position held.

Highlights of other features of current personnel policies and practices are summarized below.

Recruitment and Hiring Policies

• Most of the surveyed companies hire the largest number of nonexempt production and clerical employees through unsolicited applications at the company employment office. Exempt salaried positions are filled mainly by advertising in general newspapers.

• Almost all the participants check applicants' work references, and about two out of three firms will check the education records of exempt professional and technical prospects. Other types of references are accepted for the most part without checking by the majority of respondents.

• Between 10 and 30 percent of companies in the survey will not hire any relatives of employees. Half of those that do hire relatives will not assign them to the same departments, especially in the case of spouses.

• From half to three-quarters of respondents sometimes rehire some of their retired employees on a part-time basis.

• Job posting is used to fill production jobs in three out of four companies; office and clerical openings in three out of five; and professional and lower level managerial positions in less than half the survey group.

[2]Harriet Gorlin, *Privacy in the Workplace*, The Conference Board, 1977, Information Bulletin No. 27.

Evaluation

• Almost 95 percent of participants have a regular program of performance appraisals for exempt and nonexempt white collar workers mostly for the purpose of reviewing wages or salaries, but also to discern promotion possibilities. Appraisals of blue-collar workers are made in 75 percent of the companies, mainly to assess performance during probationary periods.

• The testing of particular skills and mechanical or clerical aptitudes is the practice in one-third to one-half of the participating firms. On the average, very little other testing is indicated.

Employee Communications

• Bulletin boards are the most widely used means of employee communication and are found in over 95 percent of the workplaces.

• Benefits plan handbooks or booklets, provided by 90 percent of the respondents, are the second most prevalent means of employee communication.

• Three out of four employers provide a general employee handbook. Over half the companies last revised this book in 1979.

• In almost four out of five workplaces an employee publication is put out by either the Personnel or Public Relations Department. About 45 percent of these are monthly; 30 percent are quarterly.

• About two-thirds of the respondents make a company financial report available to employees. Half of these are quarterly and half are annual.

• Suggestion award programs are found in one-third of the surveyed companies.

Training and Education

• About 85 percent of respondents maintain on-site training or education programs. At the nonexempt level—production, operations and clerical—training is provided largely for newly hired employees. At the exempt salaried level, training is provided to improve performance of regular employees in current duties.

• Tuition aid plans are provided to full-time white collar workers, exempt and nonexempt, by 90 percent of the respondents and to full-time nonexempt blue collar workers by almost 80 percent of the survey group. While three-quarters of these firms insist that studies eligible for tuition aid be related to the employee's work, about one-fifth do not have this requirement.

• The average participation rate in tuition aid plans by eligible employees stands at 5 percent for white collar and 3 percent for blue collar groups.

ABOUT THE SURVEY SAMPLE

In the last quarter of 1979, a list of over 6,000 companies in five major industries—manufacturing, gas and electric utilities, retail trade, banking and insurance—was divided at random to provide four sample groups, each composed of the same industrial mix. Similarly, an extremely lengthy list of questions was divided into four questionnaires. A different questionnaire was sent to each group. The responses, which ranged from 500 to 600 per questionnaire, are the basis for this report.[1] One of the criteria for the selection of the original 6,000 companies was employment size. Two hundred employees was the minimum number for companies in manufacturing and retail trade, 100 for the utilities, and 50 for banking and insurance firms. Companies were grouped in small, medium and large categories as follows:

	Company Size by Number of Employees		
Industry	*Small*	*Medium*	*Large*
Manufacturing	200-999	1,000-4,999	5,000 and over
Gas and electric utilities	under 2,500		2,500 and over
Retail trade	under 2,500		2,500 and over
Banking	under 500		500 and over
Insurance	under 1,000		1,000 and over

[1]The response rate for the retail trade group was considered too low for presentation in this report. Figures, such as they are, will be made available upon request.

Information about the prevalence of personnel practices, employee services and work rules was elicited for three employee classes:

(1) Nonexempt non-office personnel, consisting of production, maintenance, warehousing and materials-handling workers in manufacturing; power plant, transmission and maintenance people in gas and electric utilities; and store personnel only—such as sales clerks, order clerks, stock clerks, checkout and wrapping clerks, and cashiers—in retail trade. This category was not applicable to banking and insurance companies.

(2) Nonexempt office personnel in clerical and technical jobs.

(3) Lower level exempt personnel in professional and technical positions, including first-line supervisors, floor managers, sales managers, and project managers.

Respondents were instructed to report practices at the locations affecting the largest number of each employee class, if they were multilocation employers.

The following tables indicate the general composition of the two survey respondent groups involved in this part of the report.

Group 1: Respondents to Questions about Recruiting, Job Counseling, Evaluation, Record Systems and Employee Privacy.

Industry	Number of Respondents by Employment Size							
	Total Respondents		Small		Medium		Large	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Manufacturing	306	100[a]	96	31	105	34	105	34
Gas and electric utilities	40	100	23	58			17	42
Retail trade	32	100	14	44			18	56
Banking	127	100	59	47			68	53
Insurance	52	100	26	50			26	50

Number and Type of 306 Responding Manufacturers by Employment Size

SIC[1]	Industry	Total Respondents		Small	Medium	Large
		Number	Percent	Number	Number	Number
20	Food and kindred products	36	12	13	12	11
21	Tobacco	1	*	0	1	0
22	Textile mill products	8	3	3	3	2
23	Apparel	9	3	2	6	1
24	Lumber and wood products	1	*	1	0	0
25	Furniture and fixtures	3	1	0	1	2
26	Paper and allied products	10	3	0	4	6
27	Printing, publishing and allied products	14	5	2	9	3
28	Chemicals and allied products	28	9	6	6	16
29	Petroleum refining	9	3	1	1	7
30	Rubber products	11	4	7	2	2
31	Leather and leather products	1	*	1	0	0
32	Stone, clay and glass products	12	4	2	4	6
33	Primary metal industries	14	5	3	6	5
34	Fabricated metals	44	14	23	16	5
35	Machinery (not electrical)	21	7	10	9	2
36	Electrical machinery, equipment and supplies	38	12	8	11	19
37	Transportation equipment	12	4	0	5	7
38	Professional and scientific instruments	4	1	2	1	1
39	Miscellaneous manufacturing	30	10	12	8	10

Median number of employees in Manufacturing: 2,200 (range: 200 — 550,000)

[a] Does not add to 100% because of rounding

[1] Standard Industrial Classification

*Less than one percent

Group 2: Respondents to Questions about Communications, Training and Education.

Industry	Number of Respondents by Employment Size							
	Total Respondents		Small		Medium		Large	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Manufacturing	294	100	100	34	102	35	92	31
Gas and electric utilities	41	100	18	44			23	56
Retail trade	28	100	14	50			14	50
Banking	134	100	61	46			73	54
Insurance	54	100	32	59			22	41

Number and Type of 294 Responding Manufacturers by Employment Size

SIC[1]	Industry	Total Respondents		Small	Medium	Large
		Number	Percent	Number	Number	Number
20	Food and kindred products	27	9	10	9	8
21	Tobacco	3	1	0	2	1
22	Textile mill products	5	2	2	2	1
23	Apparel	5	2	2	3	0
24	Lumber and wood products	6	2	2	3	1
25	Furniture and fixtures	3	1	1	2	0
26	Paper and allied products	15	5	8	3	4
27	Printing, publishing and allied products	14	5	5	6	3
28	Chemicals and allied products	37	13	13	8	16
29	Petroleum refining	12	4	3	2	7
30	Rubber products	7	2	1	4	2
31	Leather and leather products	0	0	0	0	0
32	Stone, clay and glass products	14	5	7	3	4
33	Primary metal industries	17	6	8	3	6
34	Fabricated metals	33	11	13	16	4
35	Machinery (not electrical)	19	6	5	10	4
36	Electrical machinery, equipment and supplies	40	14	11	13	16
37	Transportation equipment	7	2	1	1	5
38	Professional and scientific instruments	2	*	0	0	2
39	Miscellaneous manufacturing	28	10	8	12	8

Median number of employees in Manufacturing: 1,700 (range: 204 — 33,000)

[1]Standard Industrial Classification

*Less than one percent